

**Charleston Research Institute  
Policy Memorandum**

**Title:** Internal Controls Policy

**Reviewed by:** Board of Directors

**Implementation Date:** 11/14/2016

**Next Scheduled Review Date:** 11/14/2019

**Approval:** Amanda C. LaRue, Ph.D., Chairperson

**Policy Statement:**

Management and the CRI Board of Directors highly value effective internal controls; therefore, it is the objective of CRI to establish and follow the strongest possible internal controls.

**Background:**

The safeguarding of assets and the reliability of financial records are the primary objectives of internal accounting controls. Accounting controls are concerned with systems of authorization and approval, controls over assets, internal auditing and all other financial matters. In order to achieve effective internal accounting control, functions should be separated, so that no one person should be in a position where he or she can perform all aspects of an activity.

**Guidelines:**

The primary responsibilities of the accounting department consist of, but are not limited to, the following:

- General Ledger
- Budgeting
- Cash and Investment Monitoring
- Asset Management
- Financial Management of Grants and Contracts
- Purchasing
- Accounts Receivable and Billing
- Cash Receipts
- Accounts Payable
- Cash Disbursements
- Payroll and Benefits
- Financial Statement Processing
- External Reporting of Financial Information
- Bank Reconciliations
- Compliance with Government Reporting Requirements
- Preparation for annual outside audit (includes draft reports, supporting schedules and notes)

An appropriate level of segregation of duties to perform each responsibility is critical to the implementation of internal controls.